



DEPARTMENT OF COMMERCE

International Trade Administration

[C-122-858]

Certain Softwood Lumber Products from Canada: Notice of Initiation and Preliminary Results of Countervailing Duty Changed Circumstances Review

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (Commerce) is initiating a changed circumstances review (CCR) to determine whether Chaleur Forest Products LP (CFP LP) and Chaleur Forest Products Inc. (CFP Inc.) are the successors-in-interest (SIIs) to Chaleur Sawmills LP (Chaleur LP) and Fornebu Lumber Co. Inc. (Fornebu Inc.), respectively, in the context of the countervailing duty (CVD) order on certain softwood lumber products (softwood lumber) from Canada. We also preliminarily determine that CFP LP and CFP Inc. are the SIIs to Chaleur LP and Fornebu Inc., respectively. Interested parties are invited to comment on these preliminary results.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Kristen Johnson, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4793.

SUPPLEMENTARY INFORMATION:

Background

On January 3, 2018, Commerce published in the *Federal Register* a CVD order on softwood lumber from Canada.¹ On March 11, 2021, CFP LP and CFP Inc. (collectively, the Chaleur Companies) requested that, pursuant to section 751(b) of the Tariff Act of 1930, as amended (the Act), 19 CFR 351.216, and 19 CFR 351.221(c)(3), Commerce conduct a CCR of the *Order* to confirm that CFP LP and CFP Inc. are the SIIs to Chaleur LP and Fornebu Inc., respectively, and accordingly, to assign them the cash deposit rates of Chaleur LP and Fornebu Inc.² In its submission, the Chaleur Companies state that Chaleur LP and Fornebu Inc. undertook name changes to CFP LP and CFP Inc., respectively, but are otherwise unchanged.³ In a March 19, 2021, filing, the Committee Overseeing Action for Lumber International Trade Investigations or Negotiations (hereinafter referred to as the petitioner) argued that Fornebu Inc. was not eligible to receive a cash deposit rate that differs from the all-others rate that is listed in the *Order* and, thus, argued that Commerce should refrain from initiating the CCR.⁴ In a March 29, 2021, filing, the Chaleur Companies argue that Fornebu Inc. is eligible for a CCR and that Commerce should, therefore, initiate and preliminarily determine that CFP LP and CFP Inc. are the SIIs to Chaleur LP and Fornebu Inc, respectively.⁵

On April 12, 2021, Commerce issued a deficiency letter to the Chaleur Companies requesting additional information and documentation regarding changes to operations,

¹ See *Certain Softwood Lumber Products from Canada: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 83 FR 347 (January 3, 2018) (*Order*).

² See Chaleur Companies' Letter, "Certain Softwood Lumber Products from Canada: Chaleur's Request for Changed Circumstances Reviews," dated March 11, 2021 (CCR Request).

³ *Id.* at 2-3.

⁴ See Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Response to Chaleur's Response for Changed Circumstances Reviews," dated March 19, 2021.

⁵ See Chaleur Companies' Letter, "Certain Softwood Lumber Products from Canada: Rebuttal to Petitioner's Response to Chaleur's Request for Changed Circumstances Reviews," dated March 29, 2021.

ownership, and corporate and legal structure during the relevant period.⁶ On May 3, 2021, the Chaleur Companies submitted an adequate response to the deficiency letter.⁷

Scope of the *Order*

The merchandise subject to the *Order* is certain softwood lumber products.⁸ The products are currently classified under the following Harmonized Tariff Schedule of the United States (HTSUS) item numbers: 4406.11.0000; 4406.91.0000; 4407.10.01.01; 4407.10.01.02; 4407.10.01.15; 4407.10.01.16; 4407.10.01.17; 4407.10.01.18; 4407.10.01.19; 4407.10.01.20; 4407.10.01.42; 4407.10.01.43; 4407.10.01.44; 4407.10.01.45; 4407.10.01.46; 4407.10.01.47; 4407.10.01.48; 4407.10.01.49; 4407.10.01.52; 4407.10.01.53; 4407.10.01.54; 4407.10.01.55; 4407.10.01.56; 4407.10.01.57; 4407.10.01.58; 4407.10.01.59; 4407.10.01.64; 4407.10.01.65; 4407.10.01.66; 4407.10.01.67; 4407.10.01.68; 4407.10.01.69; 4407.10.01.74; 4407.10.01.75; 4407.10.01.76; 4407.10.01.77; 4407.10.01.82; 4407.10.01.83; 4407.10.01.92; 4407.10.01.93; 4407.11.00.01; 4407.11.00.02; 4407.11.00.42; 4407.11.00.43; 4407.11.00.44; 4407.11.00.45; 4407.11.00.46; 4407.11.00.47; 4407.11.00.48; 4407.11.00.49; 4407.11.00.52; 4407.11.00.53; 4407.12.00.01; 4407.12.00.02; 4407.12.00.17; 4407.12.00.18; 4407.12.00.19; 4407.12.00.20; 4407.12.00.58; 4407.12.00.59; 4407.19.05.00; 4407.19.06.00; 4407.19.10.01; 4407.19.10.02; 4407.19.10.54; 4407.19.10.55; 4407.19.10.56; 4407.19.10.57; 4407.19.10.64; 4407.19.10.65; 4407.19.10.66; 4407.19.10.67; 4407.19.10.68; 4407.19.10.69; 4407.19.10.74; 4407.19.10.75; 4407.19.10.76; 4407.19.10.77; 4407.19.10.82; 4407.19.10.83; 4407.19.10.92; 4407.19.10.93; 4409.10.05.00; 4409.10.10.20; 4409.10.10.40; 4409.10.10.60; 4409.10.10.80; 4409.10.20.00; 4409.10.90.20; 4409.10.90.40; 4418.50.0010; 4418.50.0030; 4418.50.0050 and 4418.99.10.00.

⁶ See Commerce's Letter, "Certain Softwood Lumber Products from Canada: Countervailing Duty Changed Circumstances Review Request: Response to CCR Request from Chaleur Forest Products LP (Chaleur FP LP) and Chaleur Forest Products Inc. (Chaleur FP Inc.) (collectively, the Chaleur Companies)," dated April 12, 2021.

⁷ See Chaleur Companies' Letter, "Certain Softwood Lumber Products from Canada: Chaleur's Response to the Department's Deficiency Letter," dated May 3, 2021 (Deficiency Response).

⁸ For a complete description of the *Order*, see Memorandum, "Initiation and Preliminary Results of Changed Circumstances Review: Preliminary Decision Memorandum," dated concurrently with this notice (Initiation and Preliminary Decision Memorandum).

Although the HTSUS numbers are provided for convenience and customs purposes, the written product description remains dispositive.

Initiation and Preliminary Results of CCR

Pursuant to section 751(b)(1) of the Act, Commerce will conduct a CCR upon receipt of information concerning, or a request from, an interested party for a review of a CVD order which shows changed circumstances sufficient to warrant a review of the order. The information submitted by the Chaleur Companies supporting their claim that CFP LP and CFP Inc. are the SIIs to Chaleur LP and Fornebu Inc., respectively, demonstrates changed circumstances sufficient to warrant such a review.⁹ Therefore, in accordance with section 751(b)(1)(A) of the Act and 19 CFR 351.216(d), we are initiating a CCR based upon the information contained in Chaleur Companies' filings.¹⁰

Section 351.221(c)(3)(ii) of Commerce's regulations permits Commerce to combine the notice of initiation of a CCR and the notice of preliminary results if Commerce concludes that expedited action is warranted.¹¹ In this instance, because the record contains information necessary to make a preliminary finding, we find that expedited action is warranted and have combined the notice of initiation and the notice of preliminary results.¹²

In a CVD CCR, Commerce will make an affirmative successorship finding (*i.e.*, that the respondent company is the same subsidized entity for CVD cash deposit purposes as the predecessor company) where there is no evidence of significant changes in the respondent's: (1) operations; (2) ownership; and (3) corporate and legal structure during the relevant period (*i.e.*, the "look-back window") that could have affected the nature and extent of the respondent's

⁹ See 19 CFR 351.216(d); see also CCR Request and Deficiency Response.

¹⁰ See CCR Request and Deficiency Response.

¹¹ See 19 CFR 351.221(c)(3)(ii).

¹² See, e.g., *Notice of Initiation and Preliminary Results of Changed Circumstances Reviews: Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China*, 85 FR 5193 (January 29, 2020), unchanged in *Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Final Results of Changed Circumstances Reviews*, 85 FR 14638 (March 13, 2020) (*Passenger Vehicle and Light Truck Tires from China CCR*).

subsidy levels.¹³ Where Commerce makes an affirmative CVD successorship finding, the successor's merchandise will be entitled to enter under the predecessor's cash deposit rate.¹⁴

In accordance with 19 CFR 351.216, we preliminarily determine that CFP LP and CFP Inc. are the SIIs to Chaleur LP and Fornebu Inc., respectively. Record evidence, as submitted by the Chaleur Companies, indicates that CFP LP and CFP Inc. operate as essentially the same business entities as Chaleur LP and Fornebu Inc., respectively, with respect to the subject merchandise.¹⁵ Specifically, all record information with respect to trading operations, shareholders, and corporate and legal structure demonstrates that CFP LP and CFP Inc. are the same subsidized entity as their predecessors.¹⁶ For the complete SII analysis, refer to the accompanying Initiation and Preliminary Decision Memorandum. Commerce will issue its final results of the review in accordance with the time limits set forth in 19 CFR 351.216(e).

Should the final results remain the same as these preliminary results, we will instruct U.S. Customs and Border Protection to assign entries of subject merchandise exported by CFP LP and CFP Inc. the CVD cash deposit rates applicable to Chaleur LP and Fornebu Inc., effective the date of publication of the final results.

Public Comment

Pursuant to 19 CFR 351.310(c), and interested party may request a hearing within 30 days of publication of this notice. In accordance with 19 CFR 351.309(c)(1)(ii), interested parties may submit case briefs not later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than seven days after the case briefs, in accordance with 19 CFR 351.309(d). Parties who submit case or rebuttal briefs are requested to submit with each argument: (1) a statement of the issue; (2) a brief

¹³ See *Certain Pasta from Turkey: Preliminary Results of Countervailing Duty Changed Circumstances Review*, 74 FR 47225 (September 15, 2009). Here, the relevant period, or "look-back window," is December 31, 2020 (end of the period of review associated with the most recent opportunity to request an administrative review) through March 11, 2021 (date of the CCR request).

¹⁴ See *Passenger Vehicle and Light Truck Tires from China CCR*.

¹⁵ See Initiation and Preliminary Decision Memorandum; see also CCR Request and Deficiency Response.

¹⁶ *Id.*

summary of the argument; and (3) a table of authorities.¹⁷ All comments are to be filed electronically using Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) available to registered users at <https://access.trade.gov>, and must also be served on interested parties. An electronically filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time on the day it is due.¹⁸ Until further notice, Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information.¹⁹

Final Results of the Changed Circumstances Review

Consistent with 19 CFR 351.216(e), Commerce will issue the final results of this CCR no later than 270 days after the date on which this review was initiated, or within 45 days of publication of these preliminary results, if all parties agree to our preliminary finding.

Notification to Interested Parties

This notice is published in accordance with sections 751(b)(1) and 777(i) of the Act, and 19 CFR 351.216(b) and 351.221(c)(3).

Dated: June 14, 2021.

Ryan Majerus,

Deputy Assistant Secretary for Policy and Negotiations.

[FR Doc. 2021-13623 Filed: 6/24/2021 8:45 am; Publication Date: 6/25/2021]

¹⁷ See 19 CFR 351.309(c)(2).

¹⁸ See 19 CFR 351.303(b).

¹⁹ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).